

Creative England Investments FAQs

What kind of investments do you make?

We offer 3 types of investments; business loans, equity funding and revenue share deals.

How do the business loans work?

Business loans range from £50,000 to £200,000 for single projects and are secured by way of debenture. The loans are interest free, and repayment is generally over a 30 month period (although this is dependent on your project and company), with gradually larger re-payments over each year. The maximum loan available is 50% of the total project cost, so applicants must bring at least 50% of match funding to the project.

How much will the loan cost me?

Loans are interest free for the duration of the repayment term. However, loaning money to companies in the creative digital sector is a risky business, so we want to make sure that we get as much money back as possible, to reinvest in other start-ups and small companies in the future. As such all our loans include a conditional redemption premium. The premium is dependent on your company reaching an agreed revenue or pre-tax profit level after your loan is repaid. If you reach this trigger after your repayment term, we will ask you to pay a percentage of the original loan back to Creative England (usually 25%). Please refer to the guidelines for further details.

How do equity investments work?

We offer equity funding to companies with demonstrable high-growth potential looking to raise growth capital by investing in new products, services, jobs or markets. Companies must be taking part in a wider funding round and we will only consider investing up to 30% of your investment round. Creative England are not interested in long term investments as we're keen to recycle our investments within 3-4 years, to continue investing and supporting other creative digital business.

Tell me a bit more about your revenue share deals?

Investments are intended to stimulate the development and growth of commercial products and services. Through our revenue share deals, we will make investments of £50k to £250k to support the development and commercialisation of new IP, products and services. Our minimum position is that we look for opportunities that will provide a 200% return on our investment.

What is the criteria?

- Your digital company must be registered in the English regions

- Jobs must be created and safeguarded as a result of the investment (we ask that for every £7,000, 1 job must be created or safeguarded. So a loan of £70,000 would create and safeguard 10 jobs)
- You must match our investment amount with at least 50% of private match investment.

You should be looking to expand or grow your company via the development of innovative and exciting IP or new products.

Who can apply?

Digital companies based in the English regions outside of Greater London. Examples of what we mean by 'digital'; digital media and web (e.g. creative software development, digital media, web design, digital content), games (e.g. gaming and app development), e-commerce and software solutions.

Some of the companies we supported over the last 18 months:

Digital Media

<http://www.strangethoughts.co.uk/>

<http://www.magnafi.com/>

E commerce

<http://www.purenet.co.uk/>

Innovation

<https://makerclub.org/>

<http://evidential.com/>

Digital Health tech

<http://www.adi-uk.com/>

<http://www.nourishcare.co.uk/#systems-and-applications-designed-for-caring-1>

<http://braci.co/>

Games

<http://www.lockwoodpublishing.com/>

<http://www.pixeltoys.com/>

www.pixelsquad.net

www.retrofist.com/

Software solutions

<http://www.verofy.com/>

<http://unrival.net/>

My company is based and registered in London, can I apply?

Unfortunately, only companies registered in the English regions (North West, North East, Yorkshire and Humber, East and West Midlands, East of England, South East and South West England) qualify. The Investment Fund is financed by the government's Regional Growth Fund which supports eligible projects and programmes that are raising private sector investment to create economic growth and lasting employment in the English regions.

My company is a brand new start-up, can I apply?

Yes, but you must have a market ready product and a clear business plan for how you intend to scale the company. We will not consider applications from brand new start ups who cannot demonstrate a product, business model, traction or turnover.

What is match funding?

Match funding is part of the Regional Growth Fund (RGF) application process, and shows a commitment from the applicant to the specific project or expansion plans.

Companies need to match the investment at least 50:50, so an application for a £50,000 investment must be matched by at least £50,000, preferably more.

Match funding can come from private investment, company revenue being re-invested, or through another loan or source of finance. However, money already spent on a project prior to

application is not an eligible form of match funding. Creative England will only make our investment once match funding is in place.

What is the definition of 'safeguarded' jobs?

These are jobs that will be maintained as a result of the investment. Jobs are considered safeguarded where there is real threat that they will be lost within 12 months if funding support is not provided.

Do I have to pay the money back?

Yes! We want to see a return on all our investments so we are able to re-invest the money in other innovative digital companies. In terms of loans we ask that the loan is repaid within 30 months of investment. In terms of equity we ask that you have considered your exit strategy. For revenue share deals we will negotiate a recoupment deal with you, often proportionate to our investment level. Creative England will enter into a legal contract with you to ensure compliance with our investment terms.

What are the fees?

We ask every successful applicant to pay a small arrangement fee of 5% of the investment value. This is charged to cover assessment, due diligence, legal, and administration costs associated with your application and investment.

How do I apply?

First of all, please tell us about your proposal by completing an expression of interest from [HERE](#). We will review your proposal and if this is approved, we'll ask you to complete a full application form, where we'll ask for more detail on the project, the market opportunity, the route to market and your finances.

What is the decision process?

Once we have received your full application, this gets assessed by internal and external panel of experts. We may come back to you for further information or ask to meet you to discuss your project further.



Our final stage of the process is the Creative England Investment Committee. We ask companies to attend in person to briefly pitch their proposal and discuss their plans with our committee. These meetings take place monthly in our Bristol office.

Approvals at Investment Committee stage are then subject to due diligence (for investments over £100,000 this is carried out by external due diligence providers who will visit your company).

Once all the due diligence is complete, we can issue contracts and process payment.

How long does the decision process take?

It should take about 8 weeks depending on the nature of the project and your company. We try our absolute hardest to process applications as quickly as possible!